



## SONATA SOFTWARE LIMITED

**Dear Shareholders,**

Trust you and your loved ones are safe and keeping well.

We are pleased to share with you the quarterly report for Q1 of FY 2022-23.

We continue to execute well on our goal of being a strategic partner for our clients in building world class digital enterprises through our unique Platformation™ methodology. We see the demand situation for digital services being stable with growth in both existing accounts and new deal pipeline.

Talent management continues to be a major focus. A comprehensive talent plan, comprising of several initiatives like employee training and development, engagement, and retention, building in advance capacity for future growth and upgrading of existing talent capabilities.

Our India business has continued to show robust growth with greater focus on cloud and digital infrastructure.

The management team has been strengthened with the addition Roshan Shetty as Chief Revenue Officer, Balaji Kumar as Chief Human Resource Officer and Hemant Kumar Bhardwaj as Chief Marketing Officer. This senior global leadership team led by Samir Dhir is now poised to steer Sonata to greater success.

The Board in its meeting held on 25<sup>th</sup> July 2022 also approved issue of one bonus share for every three equity shares held, subject to all statutory and stakeholder approvals.

With Best Wishes,

**P Srikar Reddy**  
Managing Director

**Jagannathan C N**  
Chief Financial Officer



## Quarterly Report to Shareholders – Q1 FY 2022-23

### Key Financial Highlights:

Quarter Ended June 30, 2022

#### International Services:

- Revenue at USD 56.8 million (growth of 2% q-o-q / growth of 28% y-o-y)
- Revenue at INR 436.8 Crore (growth of 6% q-o-q / growth of 35% y-o-y)
- Net Profit at INR 76.0 Crore (growth of 5% q-o-q / growth of 19% y-o-y)

#### Domestic Business:

- Revenue at INR 1,343.1 Crore (growth of 28% q-o-q / growth of 42% y-o-y)
- Net Profit at INR 31.8 Crore (growth of 12% q-o-q / growth of 38% y-o-y)

#### Consolidated:

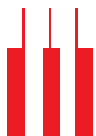
- Revenue at INR 1,778.9 Crore (growth of 22% q-o-q / growth of 40% y-o-y)
- Net Profit at INR 107.8 Crore (growth of 7% q-o-q / growth of 24% y-o-y)

#### Other Highlights:

- 247 active clients as of June 30, 2022
- 10 new clients added during the quarter

#### People:

- 5,208 Sonatians as of June 30, 2022



### Key Financial Metrics & Ratios

International Business					
(₹ Crore)	Q1 FY2023	Q4 FY2022	Q1 FY2022	Q-o-Q	Y-o-Y
Revenue	436.8	413.9	323.9	5.5%	34.8%
EBITDA	116.1	113.8	97.1	2.0%	19.5%
Net Profit	76.0	72.4	63.7	4.9%	19.2%

Key Ratios	Q1 FY2023	Q4 FY2022	Q1 FY2022
EBITDA Margin (%)	26.6%	27.5%	30.0%
Effective Tax Rate (%)	24.2%	25.7%	24.0%
Net Profit Margin (%)	17.4%	17.5%	19.7%
ROCE (%)	39.0%	38.5%	37.0%
DSO (Days)	41	40	37

Domestic Business					
(₹ Crore)	Q1 FY2023	Q4 FY2022	Q1 FY2022	Q-o-Q	Y-o-Y
Revenue	1343.1	1051.0	946.2	28.0%	42.0%
EBITDA	44.0	39.5	32.4	11.2%	35.7%
Net Profit	31.8	28.5	23.0	11.8%	38.3%

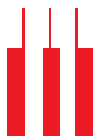
Key Ratios	Q1 FY2023	Q4 FY2022	Q1 FY2022
EBITDA Margin (%)	3.3%	3.8%	3.4%
Effective Tax Rate (%)	26.0%	25.4%	25.8%
Net Profit Margin (%)	2.4%	2.7%	2.4%
ROCE (%)	43.0%	40.9%	32.0%
DSO (Days)	38	38	39

Consolidated					
(₹ Crore)	Q1 FY2023	Q4 FY2022	Q1 FY2022	Q-o-Q	Y-o-Y
Revenue	1778.9	1463.6	1268.5	21.5%	40.2%
EBITDA	159.8	153.1	129.1	4.4%	23.8%
Net Profit	107.8	100.9	86.7	6.9%	24.3%
Diluted EPS (Rs.)*	10.4	9.7	8.3	6.9%	24.3%

Key Ratios	Q1 FY2023	Q4 FY2022	Q1 FY2022
EBITDA Margin (%)	9.0%	10.5%	10.2%
Effective Tax Rate (%)	24.7%	25.7%	24.5%
Net Profit Margin (%)	6.1%	6.9%	6.8%
ROCE (%)	41.0%	41.0%	34.5%
DSO (Days)	40	39	38

Note:

\*EPS is not annualized



₹ in lakhs, except per share data

**Extract of unaudited consolidated financial results for the quarter ended June 30, 2022**

Sl No.	Particulars	Quarter ended			Year ended
		June 30, 2022	March 31, 2022	June 30, 2021	March 31, 2022
1	Revenue from operations	1,77,886	1,46,363	1,26,854	5,55,337
2	Other income	1,819	4,503	2,815	10,198
3	<b>Total Revenue (1 + 2)</b>	<b>1,79,705</b>	<b>1,50,866</b>	<b>1,29,669</b>	<b>5,65,535</b>
4	<b>Expenses</b>				
	(a) Purchases of Stock-in-Trade	1,32,070	1,03,607	93,461	4,02,307
	(b) Employee benefits expense	21,428	20,532	16,775	73,702
	(c) Finance costs	373	423	442	1,805
	(d) Depreciation and amortization expense	1,297	1,307	989	4,732
	(e) Other expenses	10,224	11,414	6,520	32,953
	<b>Total expenses</b>	<b>1,65,392</b>	<b>1,37,283</b>	<b>1,18,187</b>	<b>5,15,499</b>
5	<b>Profit before tax (3 - 4)</b>	<b>14,313</b>	<b>13,583</b>	<b>11,482</b>	<b>50,036</b>
6	<b>Tax expense</b>				
	(1) Current tax	3,731	4,692	3,131	14,547
	(2) Provision for tax relating to prior years	20	-	-	-
	(2) Deferred tax	(214)	(1,199)	(322)	(2,154)
7	<b>Profit for the period (5 - 6)</b>	<b>10,776</b>	<b>10,090</b>	<b>8,673</b>	<b>37,643</b>
8	<b>Other comprehensive income</b>				
	1 (a) Items that will not be reclassified to profit or (loss)	(404)	(475)	(526)	(1,111)
	(b) Income tax relating to items that will not be reclassified to profit or (loss)	99	122	129	278
	2 Items that will be reclassified to profit or (loss)				
	(a) Exchange differences in translating the financial statements of foreign operations	31	570	112	478
	(b) Exchange differences on forward cover	(2,134)	(144)	(153)	1,166
	(c) Income tax relating to Items that will be reclassified to profit or (loss)	517	(114)	10	(411)
	<b>Total</b>	<b>(1,891)</b>	<b>(41)</b>	<b>(428)</b>	<b>400</b>
9	<b>Total Comprehensive Income for the period (7 + 8)</b>	<b>8,885</b>	<b>10,049</b>	<b>8,245</b>	<b>38,043</b>
	Of the Total Comprehensive Income above, total comprehensive income attributable to:				
	Owners of the parent	8,885	10,049	8,245	38,043
	Non - controlling interest	-	-	-	-
		<b>8,885</b>	<b>10,049</b>	<b>8,245</b>	<b>38,043</b>
	Of the Total Comprehensive Income above, Profit for the period attributable to:				
	Owners of the parent	10,776	10,090	8,673	37,643
	Non - controlling interest	-	-	-	-
		<b>10,776</b>	<b>10,090</b>	<b>8,673</b>	<b>37,643</b>
	Of the Total Comprehensive Income above, Other Comprehensive Income for the period attributable to:				
	Owners of the parent	(1,891)	(41)	(428)	400
	Non - controlling interest	-	-	-	-
		<b>(1,891)</b>	<b>(41)</b>	<b>(428)</b>	<b>400</b>
10	<b>Paid-up equity share capital (Face Value ₹ 1/-)</b>	<b>1,039</b>	<b>1,039</b>	<b>1,039</b>	<b>1,039</b>
11	<b>Other equity</b>	<b>1,08,881</b>	<b>1,08,881</b>	<b>89,508</b>	<b>1,08,881</b>
12	<b>Earnings per equity share (of ₹ 1/- each)</b>				
	(a) Basic	10.37	9.71	8.35	36.23
	(b) Diluted	10.37	9.70	8.34	36.21



**Note:** This report is for information purposes. Green Initiative is an effort of the Government of India which aims at reducing paper consumption thereby contributing to a greener environment. In harmony with that we are circulating this over email to shareholders who have updated their e-mail addresses with the Depository Participant.

You are requested to update/intimate the email address (E-mail ID) and any change in the email address with the Depository Participant.

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